Alberta Special Waste Management Corporation

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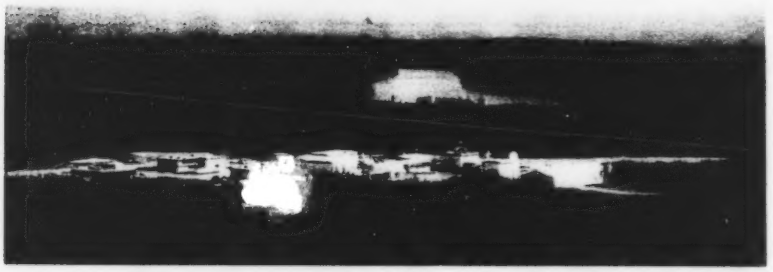
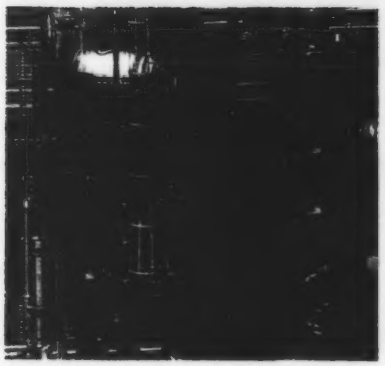
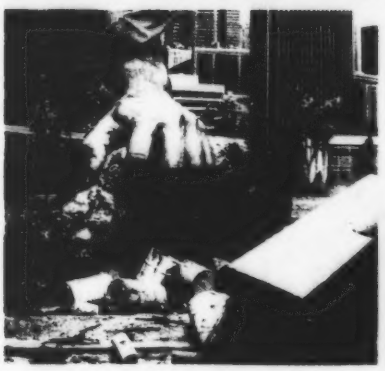
ANNUAL REPORT







CROWN CORPORATION

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Alberta
ENVIRONMENT

Office of the Minister

130 Legislature Building, Edmonton, Alberta, Canada T5K 2B6 403/427-2391

April, 1989

Honourable Dr. D. Carter
Speaker of the Legislative Assembly
325 Legislature Building
Edmonton, Alberta
T5K 2B6

Sir:

I have the honour to present the fourth annual report of the Alberta Special Waste Management Corporation, which covers the fiscal year ending March 31, 1988.

Respectfully submitted,

Ralph P. Klein
Minister of the Environment

Alberta Special Waste Management Corporation

AN ALBERTA CROWN CORPORATION

April, 1989

Honourable Ralph P. Klein
Minister
Alberta Environment
130 Legislature Building
Edmonton, Alberta
T5K 2B6

Sir:

I have the honour to present the fourth annual report of the Alberta Special Waste Management Corporation, which covers the fiscal year ending March 31, 1988.

Respectfully submitted,

Robert C. Clark
Chairman

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PHONE (403) 422-5029 TELECOPIER (403) 428-9627

The Year in Review

selected highlights

• On September 11, 1987, the Alberta Special Waste Treatment Centre was officially opened by the Premier of Alberta, the Honorable Donald R. Getty, and the province's Minister of the Environment, the Honorable Ken Kowalski. Designed to provide comprehensive treatment and disposal of toxic and potentially hazardous chemical wastes, this integrated facility is unique in Canada and is one of the most sophisticated operations of its kind in the world.

• The Corporation expanded its public information program to build on the communications successes of 1987. A variety of tools and methods were employed, including television and print advertising, speaking tours, displays and student education.

• ASWMC was also instrumental in the formation of the Alberta Special Waste Services Association to encourage private sector involvement in the waste services industry. Considerable promotional assistance was provided, including the production of a Special Waste Services Directory and newsletter.

• Board members appointed Vennard Johannesen & Co. to audit the Joint Venture financial activities. While formal financial activities of the Corporation are audited by the Provincial Auditor, the Board felt it essential to have a private firm examine the activities of the Joint Venture from the perspective of the Joint Venture Agreement; this to ensure that the operation meets the requirements of the Agreement both in terms of intent and content.

The auditors' first responsibility will be to examine the activities of the Joint Venture from its inception; the first report being available to the Board later in 1988.

Report of the Chairman and Chief Executive Officer

TOP PHOTO:
Alberta Special Waste Management Corporation President and Chief Executive Officer R. Lorne Mick (left) and Chairman Robert C. Clark.

MIDDLE PHOTO:
Ensuring that Alberta deals adequately with hazardous wastes contributes to protection of the environment.

TOP RIGHT PHOTO:
Arrival sampling.

There is growing recognition in North America that governments must take the initiative to ensure the establishment of systems and facilities to deal with hazardous wastes.

The Alberta Government was one of the first to address the problem. In 1979, assessing the impact of the more than 90,000 tonnes of hazardous wastes generated annually in the province, it recognized that the provision of special waste disposal facilities was essential to the protection of human health and the environment.

Chem-Security Ltd., a subsidiary of Bow Valley Resource Services Ltd., was selected as the company best qualified to handle the operation, and a site near Swan Hills was chosen as the most suitable for an integrated special waste management facility. The Alberta Special Waste Management Corporation was created, having 40 per cent joint ownership in the facility with Bow Valley Resource Services Ltd.

The Act that established the Alberta Special Waste Management Corporation was very brief but its objectives were very broad:

(a) to ensure the establishment and operation of sufficient Corporation facilities to deal adequately with hazardous waste that is not being adequately dealt with by other hazardous waste management facilities,

(b) to ensure that Corporation facilities are established, operated and maintained in a manner that will protect the health and safety of the public and the environment, and

(c) to ensure the protection of the health and safety of the public and the environment following the closure of Corporation facilities.

While the Act stipulated that such waste management facilities be established by the private sector where practical it became obvious by 1985 that the necessary capital cost and the financial risk were such as to require some minimum income guarantees from government.

In keeping with its commitment to ensure that hazardous wastes be properly dealt with, and with its desire to involve the private sector, the Government of Alberta concluded that a Joint Venture between the Crown corporation and the selected private company was an acceptable course.

The Role of the Crown Corporation

Historically, Crown corporations (and similarly-structured bodies in other countries) have served to deliver programs which, while financially risky, are deemed essential to the public good. They have frequently been established to achieve otherwise unattainable goals – such as the provision of national transportation and telecommunications services – or to meet pressing social and commercial needs.

Since the ultimate objective was so broad in scope, sequential goals were defined. While the aim was, and is, to achieve a comprehensive waste management system, it was considered

practical to arrive at this situation in clearly articulated stages – with each phase having the full agreement of government.

The Act which established the Corporation stipulates that cerain types of expansion must be controlled with bylaws requiring approvals from by the Minister and the Lieutenant Governor in Council.

Board Members are appointed for their diverse experience and broad understanding of business and public goals and objectives. And, through its Chairman, the Board is obliged to maintain regular and detailed accountability direct to the Minister of the Environment.

Responding to developing needs

In turn, government has supported the Corporation in the evolution of a special waste management program matched to developing needs.

It has, for example, committed itself to instituting a province-wide Household Hazardous Waste Collection program – something which was not a consideration when the system was first conceived.

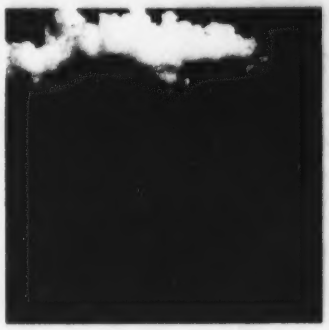
It has supported the creation of the Alberta Special Waste Services Association – to encourage the involvement of private sector business and to promote business opportunities associated with the collection for treatment of hazardous wastes.

And it has actively assisted in a program of public education – one which stresses the public's ownership of the hazardous waste problem.

It has also been urging professionals to explore new opportunities for consulting to business on the management, reduction and recycling of chemical wastes; the ultimate goal being to reduce the problem while improving production efficiency.

R. Lorne Mick
President &
Chief Executive Officer

Robert C. Clark
Chairman



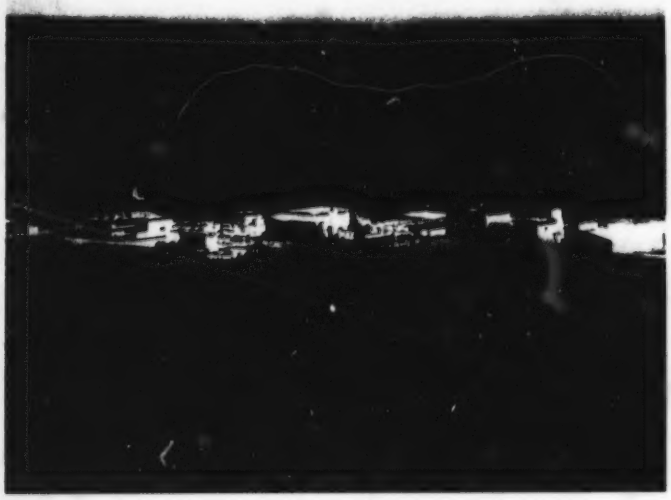
TOP LEFT PHOTO:
Drums of waste are assembled prior to decanting process.

BOTTOM LEFT PHOTO:
Organic waste storage tanks.

MIDDLE LEFT PHOTO:
Education programs contribute to understanding of special waste management.

TOP PHOTO:
Environmental monitoring is an important role of ASWMC.

The Treatment Centre



TOP PHOTO:
Alberta Special Waste Treatment Centre is designed to accept all types of hazardous waste.

MIDDLE PHOTO:
Incineration process emissions must meet strict standards.

RIGHT PHOTO:
The incinerator is the heart of the Alberta Special Waste Treatment Centre.

When officially opened on September 11, 1987, the Alberta Special Waste Treatment Centre near Swan Hills became the first operational, fully-integrated hazardous waste disposal plant in North America. Prior to this, it had already begun accepting limited quantities of special wastes to facilitate the start-up process and was thus able to identify to some degree the nature of expected waste streams.

As was to be expected with a plant of such complexity, the Centre experienced various setbacks and difficulties prior to start-up.

Since it is designed to accept all hazardous waste (with the exception of radioactive and explosive wastes), the treatment facility incorporates various destruction and disposal systems – and testing of these systems was clearly the first priority. However, problems with the incinerator's liquid injection system were experienced, causing some delay in conducting the series of tests, studies and analyses needed to facilitate granting of a full licence.

The majority of the waste accepted at the site is organic in nature and is, therefore, best suited to treatment by high-temperature incineration. The Centre's incineration facility consists of twin rocking kilns. Primary combustion chambers treat wastes at extreme temperatures, the chambers rotating to agitate and expose all surfaces of incinerable waste. Secondary combustion chambers fire wastes in a staged fashion at sustained, specific temperatures of at least 1200°C. The twin kilns are ducted to a common flue gas purification system.

Incinerator Licence Testing

Incinerator licensing tests began in February 1988. Under contract to Chem-Security (Alberta) Ltd., operators of the Centre, consultants are involved in an intensive evaluation of incinerator performance to determine the destruction efficiency of the combustion system and to ensure the safety of stack emissions.

Considered to be the most rigorous testing ever undertaken in this country, this evaluation is being carried out according to a strict protocol requiring frequent testing with hour by hour throughput data. It consists of a series of nine trial burns commencing February 3rd, 1988 and extending into mid-year.

These tests and analyses directly involve a team of 14 engineers, chemists and technologists.

Prior to a full operational licence being granted, it is necessary to demonstrate to Alberta Environment that controlled incineration temperatures essential to the destruction of particular substances – can be maintained for extended periods of time. Delays in perfecting these techniques could mean that the earliest possible time the incinerator is licensed to treat hazardous wastes will be October, 1988.

• Five months of on-site sampling are expected to involve the analysis of some one thousand samples. These will be examined by independent private laboratories.

Environmental Monitoring

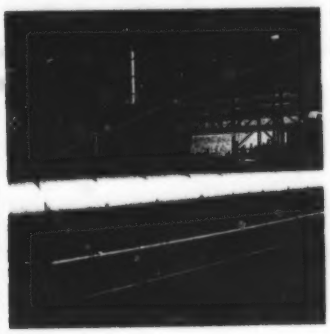
- Environmental monitoring of the surrounding area, including ambient air is being conducted by various independent consultants – supplementing the Centre's own environmental monitoring program.
- This comprehensive monitoring began in 1985, preceding the start-up of operations. When the Centre was sited in 1984, a baseline program was developed to examine all facets of the natural environment. For two years prior to start-up, studies were conducted into air quality, groundwater, surface water biota, soil, vegetation and wildlife. This extensive monitoring program embraced not only the facility site but the buffer zone, the town of Swan Hills, and other locations in the region.
- The environmental monitoring program was reviewed in the summer of 1987 prior to start-up of the treatment centre. Using meteorological data, a "plume impact zone" was developed as a study area for ongoing monitoring. The study plots for soils and vegetation and for wildlife were increased, and a review of the water monitoring program was initiated.
- Results of this program will be reported as they become available.
- One of its major objectives is to provide an early warning system so that preventative measures can be taken in the event of perceived environmental damage.

ALBERTA SPECIAL WASTE MANAGEMENT SYSTEM
OPERATED BY CHEM-SECURITY LTD.

The Plant

While it might not seem unusual to the lay person, the concept of one plant treating every kind of hazardous waste is unique.

Though other facilities are in operation across the country, they are generally adapted to dedicated waste streams. One, for example, is involved in the stabilization and solidification of solid wastes. Another receives off-site liquid wastes which are treated, then sent to another site for disposal. Such plants are independent commercial enterprises, created to treat a predictable stream of wastes from known sources. No other facility in Canada has the capabilities of the Alberta Special Waste Treatment Centre. In particular, it is presently the only operation in the country capable of treating high concentration PCBs and highly chlorinated waste streams.



TOP LEFT PHOTO:
Comprehensive environmental monitoring began before Treatment Centre start-up.

MIDDLE LEFT PHOTO:
Monitoring of the environment acts as an early warning system.

MIDDLE RIGHT PHOTO:
Inorganic wastes (acids and bases) are treated by physical chemical processes.

TOP PHOTO:
Waste is sampled as part of a province-wide tracking system.

The Alberta Special Waste Management System
Transfer & Collection Stations
Alberta Special Waste Treatment Centre
Transportation System

The System

TOP PHOTO:
Organic wastes are placed in large tanks prior to incineration.
MIDDLE PHOTO:
Alberta's system is a joint venture between government and industry.
BOTTOM RIGHT PHOTO:
Removing special wastes from Alberta communities is a goal of the system.

Parts of the Alberta Special Waste Management System are owned and leased by a joint venture of the Alberta Special Waste Management Corporation, an Alberta Crown Corporation, and Bow Valley Resource Services Ltd., a private Alberta company.

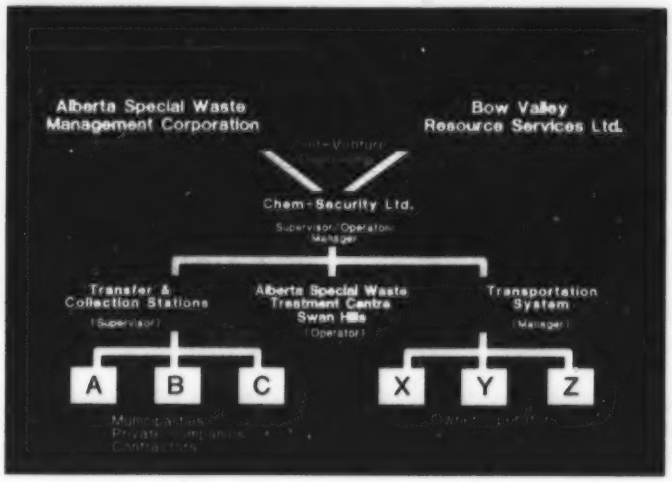
The cornerstone of the system is the Alberta Special Waste Treatment Centre. Other components include interim Transfer Stations in Calgary and Nisku and a Transportation Operation which links major waste generators and Transfer Stations with the Treatment Centre. It is expected that other private firms will establish additional collection and transfer facilities as needs are identified.

The Treatment Centre is jointly owned by ASWMC (40 per cent) and BVRS (60 per cent). Chem-Security (Alberta) Ltd., a wholly-owned subsidiary of BVRS under contract to the joint venture, operates the Treatment Centre, manages the Transportation to the Centre, and supervises the interim Transfer Stations.

The Alberta Special Waste Management System offers a distinct advantage to waste generators. Besides providing an accessible facility to which they can consign their wastes in absolute confidence, it clearly defines the parameters of responsibility. Once such wastes enter the System, ownership and liability are no longer the responsibility of the generator, but of the System itself.

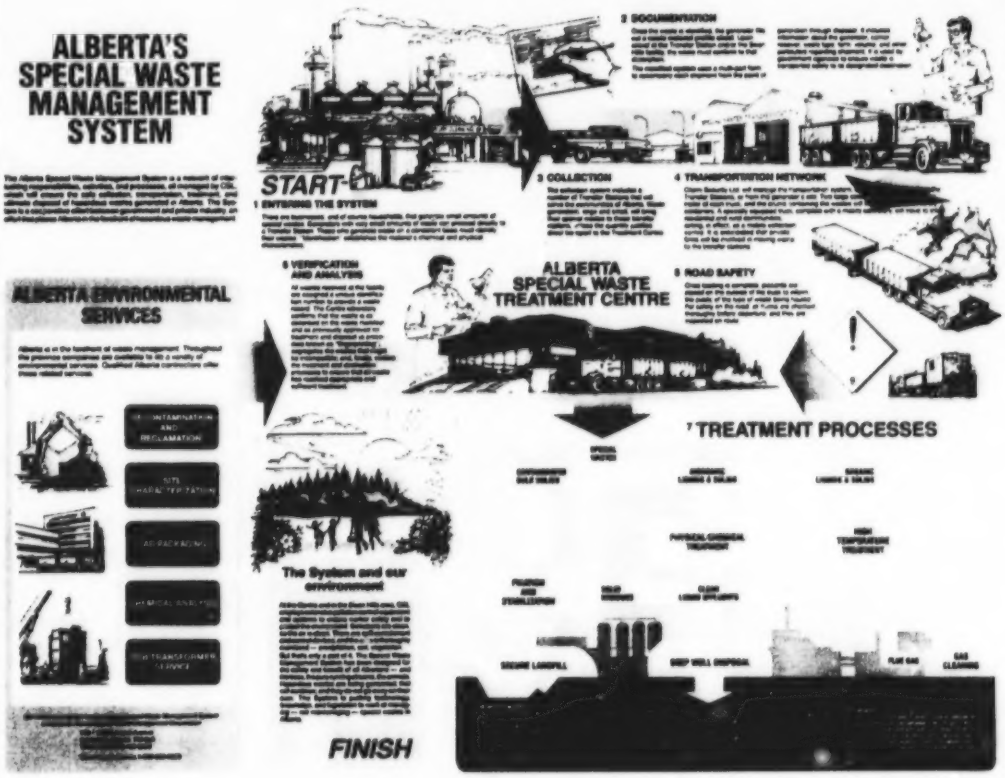
The construction of the Centre was the first step in a multi-part program. The development of Transfer Stations in major cities for special waste receiving and sorting is the second. A third stage will see the private sector development of collection and transfer operations for businesses which generate smaller volumes. A fourth stage proposes cooperative programs to remove household hazardous wastes from all Alberta communities.

The Alberta Special Waste Management System is a network of interlocking responsibilities, not least of which are the obligations of those who generate waste. Depending on the amount of waste involved, generators must either arrange collection and delivery to an approved treatment/disposal facility, or deliver wastes to a



Transfer Station. When sufficient quantities are accumulated, such wastes will be collected from the Transfer Stations and trucked to the Treatment Centre.

The number of Collection and Transfer Stations in the system will initially depend on the private sector identifying the needs of its clientele, the waste generators.



TOP LEFT PHOTO:
Alberta's collection and transfer system is developed with knowledge of the best systems in the world.

LEFT CHART:
The System has many organizations involved.

TOP PHOTO:
Transfer Stations serve waste producers in Calgary and Edmonton.

The Regulations

TOP PHOTO:
Regulations now set tight limits on storage and disposal methods.

MIDDLE PHOTO:
Regulations are aimed at environmental protection.

TOP RIGHT PHOTO:
Albertans are learning more about the nature of the special wastes being produced.

BOTTOM RIGHT PHOTO:
Moving waste from the point of generation to proper disposal is the goal of the regulatory framework.

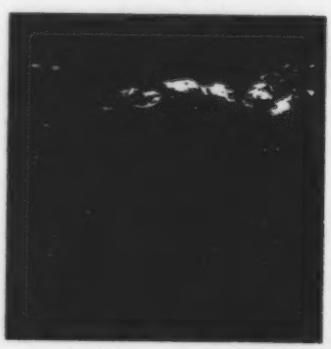
The Alberta Special Waste Management Corporation is responsible for the overall management of special wastes in Alberta. Its authorization is necessary for all facilities established to deal with wastes leaving the site where they are produced.

The new Hazardous Waste Regulation, scheduled to become effective on April 1, 1988, will confirm the extent of this responsibility and is expected to make a significant change in the way many Alberta businesses, institutions and municipalities deal with their special waste.

The Hazardous Chemicals Act and The Hazardous Waste Regulation

The Hazardous Chemicals Act and its supporting document, the Hazardous Waste Regulation will set out a comprehensive management system for hazardous substances. Together, they will define these aspects of Alberta's system:

- Which hazardous wastes are regulated by the system and which are exempted.
- The manifest system used to track hazardous wastes from the cradle (the place at which they are produced) to the grave (the place of their ultimate disposal).
- The requirements for landfilling hazardous wastes specifying wastes which may not be landfilled.
- Emergency measures and reporting requirements for spills.
- Storage procedures for hazardous wastes.
- The authority of Alberta Environment to take action against the unsafe handling or disposal of hazardous wastes.



- The authority of the Minister of the Environment to require a bond from the operator of a hazardous waste management facility.

In addition to these regulations, generators are already required to adhere to the regulations of numerous other agencies. These include the requirements of Alberta Environment, Alberta Public Safety Services, and Alberta Community and Occupational Health. In total, the proposed and existing legislation is an excellent start to ensuring the safe collection, treatment and disposal of hazardous wastes.

The Effect of the New Regulation

To assist Albertans in understanding the new Regulation, Alberta Special Waste Management Corporation, in cooperation with the other regulatory agencies involved, developed and conducted a series of eight seminars province-wide.

Chaired by Dr. Arnold Lamb, the seminars were designed to provide a thorough review of the effect of the proposed regulation on hazardous waste generators. An extensive publicity campaign employed newspaper and direct mail advertising to generate attendance to the day-long sessions in Edmonton, Calgary, Grande Prairie, St. Paul, Red Deer and Lethbridge.

The seminars attracted approximately 1,400 participants, mostly representative of Alberta's major resource industries as well as a gratifying attendance from municipal landfill operators and fire department emergency response personnel.

The Financial Impact

In an effort to determine the possible financial impact of the Regulation on Alberta's industries, the Corporation also commissioned a detailed economic study from Reid Crowther & Partners of Calgary. The survey accumulated extensive information on existing waste management practices and costs. After 13 industry categories were examined by questionnaire and by interview, it determined that those businesses requiring treatment and disposal of their wastes at the Swan Hills facility could anticipate an average increase in disposal costs of from less than 0.5 per cent to 2 per cent of annual operating expense.

A final report on this study is available for review at the Corporation's Edmonton office.

TOP MIDDLE PHOTO:
Regulation information seminars were held in the various regions of Alberta.

BOTTOM LEFT PHOTO:
Solid wastes, like contaminated soil, is a significant waste stream at the Treatment Centre.

BOTTOM MIDDLE PHOTO:
Proper protection for people handling wastes is part of the process.

TOP PHOTO:
Safe transportation remains a primary concern of the System.

Public Awareness

TOP PHOTO:
Making Albertans aware of the need for proper treatment and disposal is a key communication goal.

MIDDLE PHOTO:
Video programs such as Our Throwaway Society are reaching Albertans.

TOP RIGHT PHOTO:
A province-wide collection system will require facilities in many communities.

The development of public awareness and cooperation is considered essential to the success of Alberta's program for the collection and disposal of special wastes.

In order for a province-wide collection and treatment program to succeed, Albertans should know a comprehensive waste treatment centre exists – and that wastes from our communities requiring specialized treatment must be collected and shipped to the facility in order to ensure the safety of their environment.

To this end, the Corporation maintained an aggressive advertising campaign, supplemented by speaking program conducted by ASWMC staff.

An important first step in this procedure was to generate awareness of the Treatment Centre and to tell Albertans that it was open and operational. In Calgary, for example, research showed that, in September 1987, only 32 per cent of the community were aware of the plant at Swan Hills. After an 11-week advertising campaign, however, 58 per cent of Calgarians were aware of the Treatment Centre.

Both television and print advertising employed a highly memorable device – the image of a giant hand sweeping problem waste under the earth. It successfully demonstrated the unsatisfactory impact of old disposal methods while emphasizing that "Alberta has a better way."

A particular concern of the Corporation was ensuring that all firms and organizations producing hazardous wastes be identified so that they could receive relevant information on treatment and disposal. A mailing list of approximately 8,500 names was created for this purpose.

Hazardous Waste Regulation Seminars and Workshops

Eight information seminars were conducted to familiarize Albertans with the new Hazardous Waste Regulation: two in Calgary, two in Edmonton, and one each in Grande Prairie, St. Paul, Red Deer and Lethbridge. The seminars were offered between January 26 and March 17, 1988.

With the conclusion of the one-day seminars, plans were already under way for the development of a series of two-hour Hazardous Waste Regulation Workshops. These will be aimed at small-volume generators such as drycleaners, auto-body shops, printers, painters, photo-finishers and many more. The workshops are presently being planned for central and southern Alberta in May and June, and for northern Alberta and major population centres in September and October.

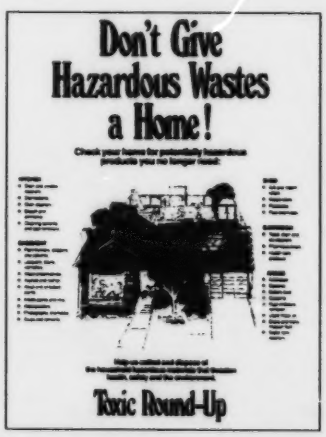
Concurrent with this activity, significant progress was realized in identifying potential business opportunities for Alberta-based firms in the field of hazardous waste management. In early 1988, the Corporation

was concerned that waste generators would have difficulty complying with the new Regulation due to a lack of such necessary services as waste analysis and transportation.

To identify such service companies as well as to point up the opportunities presented by the development of the Special Waste Management System, ASWMC organized two workshops; in Edmonton on February 10th, and in Calgary on February 11th. Approximately sixty people attended each workshop, at which sessions ASWMC proposed the idea of a services association and announced the Corporation's intention to publish a directory of companies offering specialized services within the industry.

Community Involvement

As public awareness increased over the year, opportunities arose for participation with other concerned associations at the community level.



In September 1987, the Corporation cooperated with The City of Edmonton and the Toxic Watch Project and participated in a highly successful Toxic Round-Up held on September 26th.

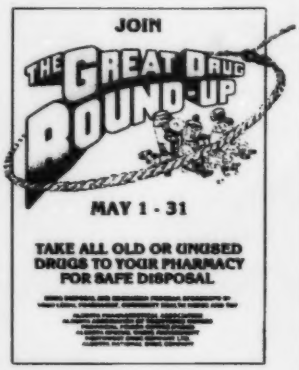
Some 30 metric tonnes of household hazardous wastes were collected and shipped to the Treatment Centre for proper disposal.

One result of the success of this program was that several other Alberta communities expressed interest in holding similar events. ASWMC has already begun exploring the feasibility of a similar program for household hazardous waste collection to be held province-wide.

The Alberta Pharmaceutical Association, following on the success of an earlier Edmonton "Great Drug Round-Up" approached the Minister of Environment for assistance in developing a province-wide campaign involving 660 pharmacies. ASWMC will be providing for the collection of wastes from the "Great Drug Round-Up" planned for May 1988.

In August and September of 1987, a 23-minute video pilot program was produced addressing the need for awareness of household wastes at the household level. Titled, "Our Throwaway Society", the program considers the question of comprehensive waste management in Alberta and raises questions that need to be considered by all Albertans. The program has already been tested at numerous public meetings and it will be adapted for general television presentation in the Fall.

ASWMC maintains close associations with concerned provincial, national and international bodies, providing and receiving information constantly.



BOTTOM LEFT PHOTO:
Communities are becoming involved through the Toxic Round-Up program.

TOP MIDDLE PHOTO:
Albertans have expressed interest in working towards protection of the environment.

BOTTOM MIDDLE PHOTO:
Graphic illustrations contribute to awareness of waste problems.

TOP RIGHT PHOTO:
The Alberta Pharmaceutical Association now has a province wide campaign.

Treatment Centre Technology

TOP PHOTO:
The Alberta Special Waste Treatment Centre was designed to accommodate technology changes and requirements for increased treatment capacity.

MIDDLE PHOTO:
Incineration must meet a stringent 99.9999 destruction efficiency.

TOP RIGHT PHOTO:
Processing PCB contaminated transformers.

BOTTOM RIGHT PHOTO:
Wastes in drums are transported in customized containers.

The Alberta Special Waste Treatment Centre is designed as an integrated unit; that is, its various components and processes are designed to complement one another so as to provide a comprehensive facility for the treatment and disposal of hazardous wastes.

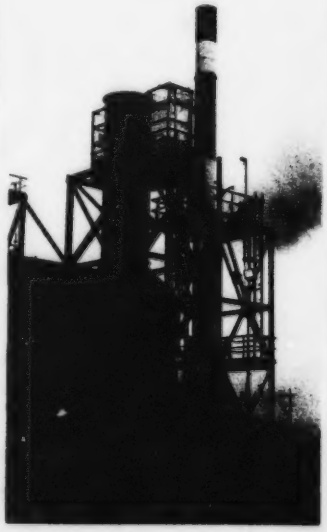
A basic concept of the plant's design is total containment. No wastes or contaminated material, not even snow or rain run-off, are allowed to leave the closely supervised site.

The Treatment Centre is a comprehensive facility, capable of treating organic or inorganic wastes that are flammable, reactive, corrosive or toxic.

Organic wastes are hydrocarbon-based and can be effectively destroyed by high temperature incineration. Examples include waste oils, solvents, paints, pesticides and PCBs.

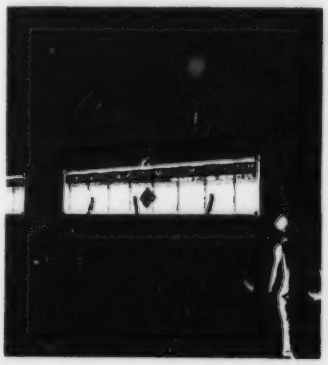
Inorganic wastes are non-hydrocarbon-based and include acids, alkalies, heavy metals and cyanides. Such wastes can be treated by various physical or chemical procedures.

Since the majority of waste received at the Centre is organic in nature, the incineration process is the predominant form of disposal. The high temperature process uses twin rocking kiln incinerators capable of burning between 6,000 and 11,000 tonnes of organic wastes per year. The kilns, which operate at up to 1,200 degrees Celsius, can handle liquids, sludges or solids, including metal drums.

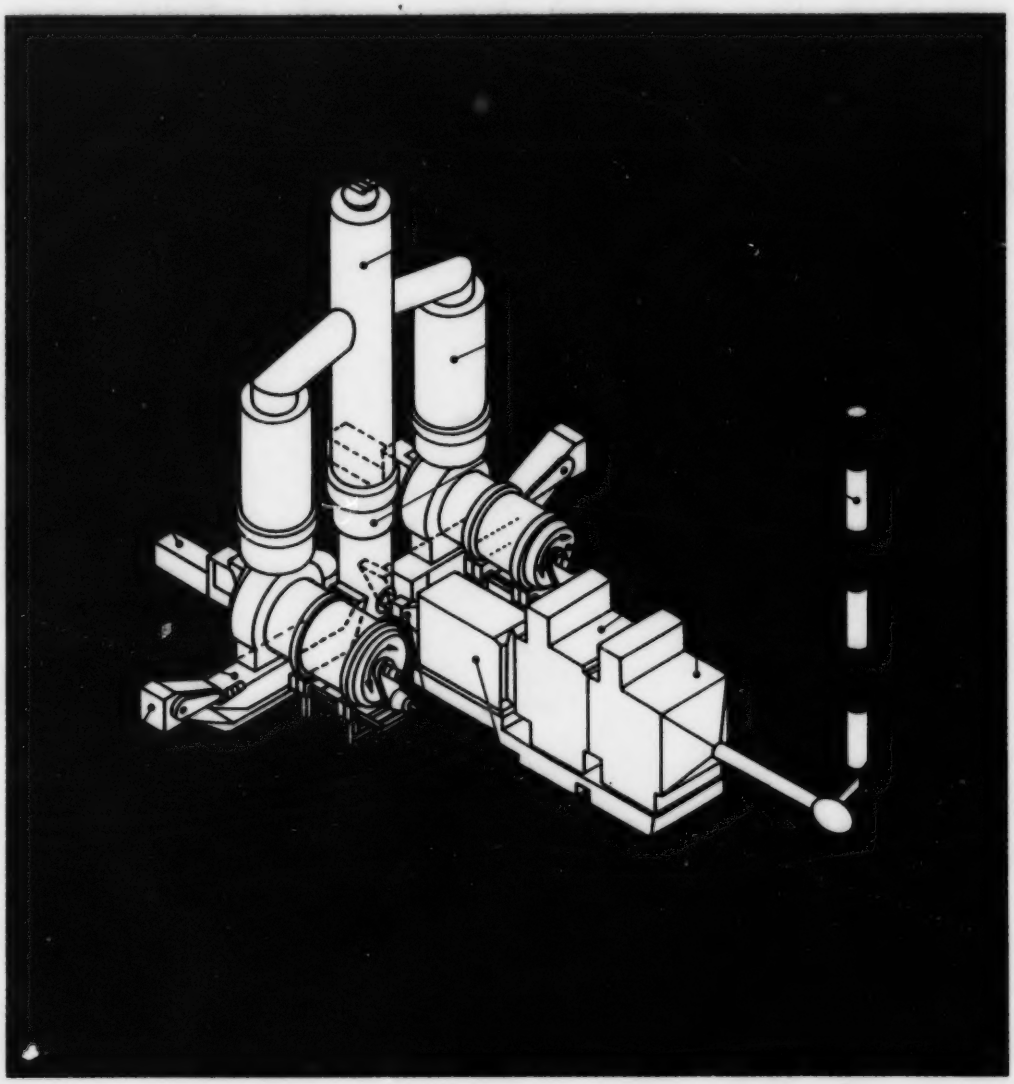


Inert ashes from these procedures are stabilized and buried in a covered and secure landfill.

The Centre's Physical and Chemical Processes detoxify inorganic wastes in various ways – either through acid base neutralization, oxidation/reduction, or pH adjustment/precipitation. After treatment, solids are separated from the



liquids, the solids being stabilized and landfilled in a concrete-like mixture, and the liquids being injected into a deep well 2,000 metres below the land surface.



TOP PHOTO:
Physical/chemical treatment of inorganic wastes.

LEFT CHART:
The incineration process involves both high temperature burning and careful scrubbing of the emissions prior to release into the atmosphere.

The Corporation

TOP PHOTO:
Board members (standing from left) Ken Nagel, Swan Hills; Morris Fitzpatrick, Leduc; Peter Moore, Slave Lake; R. Lorne Mick, President and C.E.O.; (seated from left) Vice-Chairman William K. Ross, Calgary; and Chairman Robert C. Clark, Carstairs.

TOP RIGHT PHOTO:
William J. Mooney.

BOTTOM RIGHT PHOTO:
Bert M. Huffman.

Members of the Board of The Alberta Special Waste Management Corporation are appointed by the Lieutenant Governor in Council on the basis of recommendations by the Minister of the Environment. An objective is to have representation from all areas of the province and by people who combine wide experience in public and business affairs with a sensitivity to the public concern over hazardous waste disposal. Members now serve a two-year term, with overlapping periods of service so as to ensure continuity.

The Corporation acknowledges the outstanding contributions of two Board Members who completed their terms in office this year. Both were members from the inception of the corporation in 1984.

William J. Mooney, who served as Vice-Chairman in 1987, brought to the position a pragmatism earned over many years in business. And Bert M. Huffman, while ably representing the interests of all Albertans was a persuasive voice for

the people of Edmonton, and the north-central region.

At the same time, the Corporation welcomed three new members to the Board: Ken Nagel, a Swan Hills businessman active for many years in community affairs, Peter Moore, an independent businessman from Slave Lake, and Morris Fitzpatrick of Leduc, a former Alderman.

The Corporation extends special congratulations to William K. Ross on his appointment as Vice Chairman of the Board.

Financial Statements

Auditor's Report

To the Members of the
Alberta Special Waste Management Corporation

I have examined the balance sheet of the Alberta Special Waste Management Corporation as at March 31, 1988 and the statement of revenue, expenditure and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting, considered appropriate in the circumstances, as described in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Donald D. Salmon
C.A.
Auditor General

Edmonton, Alberta
June 28, 1988

Balance Sheet

As at March 31, 1988
(thousands of dollars)

		1988	1987
Assets	Current:		
	Cash	**$ 6,072**	$11,661
	Accounts receivable	**7**	15
		6,079	11,676
	Investment in joint venture (Note 3)	**18,231**	12,840
	Fixed (Note 4)	**6,833**	4,746
		$31,143	$29,262
Liabilities and Equity	Current liabilities:		
	Due to joint venture	**$ 1,082**	$ 740
	Accounts payable	**203**	98
	Holdbacks payable	**10**	—
	Security deposits	**18**	1,473
		1,313	2,311
	Equity:		
	Equity in joint venture	**18,231**	12,840
	Equity in fixed assets	**6,833**	4,746
	Retained earnings	**4,766**	9,365
		29,830	26,951
		$31,143	$29,262

The accompanying notes are part of these financial statements.

Statement of Revenue, Expenditure and Retained Earnings

For the Year Ended March 31, 1988
(thousands of dollars)

		1988	1987
Revenue	Grant from the Province of Alberta, General Revenue Fund	**$20,669**	$18,660
	Interest earnings	**763**	689
	Other	**1**	1
		21,433	19,350
Expenditure	Joint Venture:		
	Contributions to operations, net (Note 5)	**16,207**	2,259
	Investment	**5,391**	9,285
	Administration:		
	Acquisition of fixed assets (Note 4)	**2,087**	707
	Public relations and advertising	**852**	116
	Salaries and employee benefits	**390**	367
	External consulting services	**183**	80
	Supplies and services	**55**	64
	Other	**99**	96
	Collection and storage operations:		
	Occupancy	**320**	373
	Waste disposal	**185**	—
	Contract services	**106**	262
	Repairs and maintenance	**77**	58
	Other	**80**	121
		26,032	13,788
	Excess (deficiency) of revenue over expenditure	**(4,599)**	5,562
	Retained earnings at beginning of year	**9,365**	3,803
	Retained earnings at end of year	**$ 4,766**	$ 9,365

Notes to the Financial Statements

March 31, 1988

Note 1 Authority

The Alberta Special Waste Management Corporation operates under the authority of the Special Waste Management Act, Chapter S-21.5, Statutes of Alberta 1982, as amended.

Note 2 Significant Accounting Policies and Reporting Practices

a) These financial statements have been prepared in accordance with generally accepted accounting principles except as follows:

(i) the cost of fixed assets is expensed in the year of acquisition. Fixed assets are also shown on the balance sheet at cost with a corresponding credit to equity in fixed assets.

(ii) the investment relating to participation in the joint venture is expensed in the year incurred but is also included on the balance sheet as investment in joint venture with a corresponding credit to equity in joint venture.

b) The investment in the joint venture is recorded at cost which represents the net capital contributions of the Corporation to the joint venture.

c) A statement of changes in financial position has not been provided as disclosure in these financial statements is considered to be adequate.

Note 3 Investment in Joint Venture

The Corporation has a 40% interest in a joint venture to establish, own, operate and maintain a part of the Alberta special waste management system. The investment in the joint venture is summarized hereunder:

	1988	1987
	(thousands of dollars)	
Balance at beginning of year	**$12,840**	$ 3,555
Investment	**5,391**	9,285
Balance at end of year	**$18,231**	$12,840

Note 4 Fixed Assets

Fixed assets consist of the following:

	Balance March 31, 1987	Additions During Year	Balance March 31, 1988
	(thousands of dollars)		
Swan Hills Facility:			
Access road	**$3,158**	$1,454	**$4,612**
Utilities	**1,167**	594	**1,761**
Deep well lease	**90**	–	**90**
Land	**74**	–	**74**
	4,489	2,048	**6,537**
Furniture and equipment	**74**	2	**76**
Leasehold improvements	**183**	37	**220**
	$4,746	$2,087	**$6,833**

Note 5 Contributions to Operations, Net

Under the terms of the joint venture agreement, the Corporation agrees to pay an amount which provides the joint venture with an agreed rate of return. The Corporation's share of the joint venture's net income is netted against the contributions.

Note 6 Guarantee

The Corporation and Bow Valley Resource Services Ltd. have jointly and severally guaranteed payments of the joint venture arising from sub-leases of certain properties with two separate corporations. The amount outstanding under these guarantees at March 31, 1988 is approximately $6.5 million.

Note 7 Administration Expenses

Head office premises and certain basic office furnishings are provided by the Province of Alberta. These assets and certain administrative services are provided at no charge and accordingly are not reflected in these financial statements.

Note 8 Comparative Figures

The 1987 figures have been reclassified where necessary to conform to 1988 presentation.

Note 9 Approval of Financial Statements

These financial statements have been approved by the members of the Corporation.

Site Description

Location:

10 km north of Swan Hills on Highway 33 and 9 km east; within the Coutts River Basin

Legal description:

W½-6-67-8-W5

Total site size:

320 acres (one-half section; or 130 hectares)

Buffer size:

½ mile (.8 km) all directions

Total site and buffer:

3 sections

Cleared area for site:

23 acres (9.2 hectares)

Elevation:

1080 metres

Groundwater:

Water table is approximately 50 metres below the surface.

Ecology:

Boreal forest

Geology:

Glacial moraine deposits form a dense and highly impermeable material overlying sedimentary bedrock (viz.)

Till	4.3 m - 16.2 m
Silt	2.6 m
Shale	27.4 m - 35.6 m
Sandstone	24 m - 38 m
Shale	91 + m

Hydrology:

There are no surface waterways. One mile south a seasonal creek feeds the Coutts River.

Alberta Special Waste Management Corporation

Board Members

Robert Clark
Chairman, Carstairs

William K. Ross
Vice-Chairman, Calgary

Ronald E. McKague, F.C.A.
Secretary to the Board

Ken Nagel
Swan Hills

Morris Fitzpatrick
Leduc

Peter Moore
Slave Lake

Officers and Staff of the Corporation

R. Lorne Mick
President and Chief Executive Officer

Kenneth J. Simpson
Senior Vice-President, System Development and Operations

Bob Paddon
Vice-President, Communications

Ronald E. McKague, F.C.A.
Vice-President Finance and Administration

Caroline S. Simons
Environmental Manager

Colleen P. Smecko
Secretary to the Corporation

Judy J. Augustin
Receptionist

Swan Hills Local Citizens Committee

Bob Wilson
Chairman

Marcie Giroux

Allan Gray

Memberships

Air Pollution Control Association
Better Business Bureau, Edmonton
Chamber of Commerce, Edmonton
Chamber of Commerce, Leduc
Chamber of Commerce, Swan Hills
Consortium of State Hazardous Waste Siting Authorities
Governmental Refuse Collection and Disposal Association
Hazardous Waste Treatment Council (Associate)
National Solid Waste Management Association
Nisku Industrial Park Association
Pacific Basin Consortium for Hazardous Waste Research

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